

Message Text

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ACTION COME-00

INFO OCT-01 NEA-10 ISO-00 AID-05 CIAE-00 EB-08 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03

SP-02 LAB-04 SIL-01 OMB-01 L-03 /056 W

-----081420 190059Z /62

R 180800Z OCT 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 565

INFO AMCONSUL ALEXANDRIA

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E.O. 11652: NA

TAGS: EINV, EG

SUBJ: FOREIGN INVESTMENT NOTES

REF CAIRO 13835

1. A NUMBER OF RECENT DEVELOPMENTS HAVE TAKEN PLACE IN CONNECTION WITH INVESTMENT PROPOSALS BY FOREIGN FIRMS IN EGYPT:

A) GOODYEAR - VISITING GOODYEAR REP. TELLS US COMPANY IS STILL PURSUING PROJECT TO BUILD TIRE MANUFACTURING FACILITY HERE. GOODYEAR IS WORKING NOW WITH ITS LOCAL LAWYERS TO SETTLE DIFFICULTIES INVOLVED IN ACQUISITION OF SITE AND TO INSURE AVAILABILITY OF UTILITIES. MEANWHILE, COMPANY HAS PROPOSED ENTERING INTO AGREEMENT TO PROVIDE TECHNICAL SERVICES TO TRENCO, THE EXISTING EGYPTIAN PUBLIC SECTOR TIRE COMPANY. TRENCO IS ALSO TO BE PARTNER IN PROPOSAL GOODYEAR TIRE PROJECT, BUT U.S. FIRM IS WILLING PROVIDE TECHNICAL SERVICES TO TRENCO EVEN IF INVESTMENT PROJECT

DOES NOT GO FORWARD. GOODYEAR REPS. AVOWAL OF CONTINUING INTEREST IN EGYPTIAN PROJECT IS IN CONTRAST TO RECENT REPORTS (REFTEL) THAT COMPANY HAD ABANDONED IDEA OF BUILDING TIRE MANUFACTURING FACILITY HERE. REP. DID GIVE IMPRESSION, HOWEVER, THAT IN VIEW OF CURRENT FINANCIAL CONSTRAINTS AND INVESTMENT OPPORTUNITIES
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TIES ELSEWHERE, GOODYEAR IS NOT PURSUING EGYPTIAN VENTURE AS VIGOROUSLY AS IT HAD IN THE PAST.

B) U.S. FIRM AMCHEM, OF AMBLER, PENNSYLVANIA HAS PUT TOGETHER A JOINT VENTURE WITH COMPAGNIE FRANCAISE DES PRODUITS INDUSTRIELS, A FRENCH CHEMICAL COMPANY PARTIALLY OWNED BY AMCHEM, AND A GROUP OF PRIVATE EGYPTIANS TO BUILD PESTICIDE AND HERBICIDE FACTORY ON ALEXANDRIA ROAD. TOTAL CAPITAL IS ABOUT U.S. 1 MILLION. PLANT

WILL DO BLENDING OF IMPORTED CHEMICALS TO MAKE THE FINAL PRODUCT. THIS IS A PRIVATE FREE ZONE PROJECT AND IS EXPECTED TO BEGIN OPERATIONS WITHIN 18 MONTHS. AMCHEM HAS BEEN ACQUIRED BY UNION CARBINDE, WHICH THUS HAS INTEREST IN TWO VENTURES HERE (SEE REFTTEL).

C) AMONG NON-U.S. FIRMS, BRITISH COMPANY ACROW SIGNED AGREEMENT LAST MONTH WITH AFFILIATE OF ARAB CONTRACTORS CO. TO PRODUCE SCAFFOLDING AND OTHER METAL EQUIPMENT FOR CONSTRUCTION INDUSTRY. NEGOTIATIONS ON ANOTHER BRITISH PROJECT INVOLVING THE ROTHMAN'S TOBACCO FIRM ARE ALSO REPORTEDLY NEAR TO BEING COMPLETED.

2. ALTHOUGH MOST OF THESE VENTURE WERE PLANNED LONG BEFORE AMENDMENT OF INVESTMENT LAW IN JUNE, IMPROVED PROVISIONS ON CAPITAL TRANSFER AND OTHER MATTERS MAY HAVE HELPED IN MOVING THE PROJECTS ALONG. PACE OF ACTIVITY IN INVESTMENT DOES SEEM TO HAVE QUICKENED A BIT IN RECENT WEEKS.
EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION, PROGRAMS (PROJECTS), FOREIGN INVESTMENTS, INDUSTRIAL PLANTS
Control Number: n/a
Copy: SINGLE
Sent Date: 18-Oct-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO17206
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770383-0546
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771049/aaaabpmu.tel
Line Count: 79
Litigation Code IDs:
Litigation Codes:
Litigation History: Hold (001 Tobacco) added on 4/16/2009 3:39:05 PM by WASHDCMcGoldRJ, Hold (001 Tobacco) removed on 4/16/2009 3:45:01 PM by WASHDCMcGoldRJ (Litigation Hold Lifted)
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7b7e2b2d-c288-dd11-92da-001cc4696bcc
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Original Classification: LIMITED OFFICIAL USE
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SAS ID: 880887
Secure: OPEN
Status: NATIVE
Subject: FOREIGN INVESTMENT NOTES
TAGS: EINV, EG, GOODYEAR CO, AMCHEM
To: STATE
Type: TE
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